

Chief, SSS

7 February 1950

Legal Staff

Report to Labor Department of Contracts Subject to the Walsh-Healey Public Contracts Act.

1. The Department of Labor requires certain reports on contracts under the so-called Walsh-Healey Act in compliance with Article 1201 of their Administrative Regulations. Since the coordination of such reports would give an interested person a fairly clear picture of the over-all pattern of our procurement, it may be inadvisable, from a security standpoint, to comply with the requirement. The Supreme Court has indicated that the basic intent behind the Act is to utilize the tremendous purchasing power of the Government as leverage to improve standards of labor. Insofar as we respect this basic intent, it would not appear necessary to submit the reports required by the Department of Labor where the intervening factor of security presents itself.

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However, the duties imposed upon the Director by P.L. 253, to protect intelligence sources and methods from unauthorized disclosure, is sufficiently broad to justify our noncompliance with the requirement when it is considered necessary. Our comments apply equally to the necessity of posting wage schedules on a contractor's premises, although this requirement appears to be more closely related to the aims of the Act than the reports required for the Department's internal use.

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2. [redacted] did not request formal concurrence, but our comments were identical to those presented here. It would seem that the security factor is much stronger in your case than in his, but administrative determination to withhold the reports should be based on security. We believe that this would be a valid answer to any challenge in the future, although as a policy matter it may be considered preferable to make a formal request to the Secretary of Labor for a specific blanket exemption.

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cc: Subject
Chrono
Legal Decisions/

Attache:

1. Memo 2 Feb. 1950 from [redacted]
2. Cpy of memo 16 Aug. 1949 from [redacted]
3. Cpy of memo 9 Sept. 1949 from [redacted]

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